



DEPARTMENT OF THE NAVY
NAVAL AIR SYSTEMS COMMAND
RADM WILLIAM A. MOFFETT BUILDING
47123 HUSE ROAD, BLDG 2272
PATUXENT RIVER, MARYLAND 20670-1547

IN REPLY REFER TO

4200
Ser: AIR-2.2.3.5
J&A 11-8069

JUSTIFICATION AND APPROVAL
FOR OTHER THAN FULL AND OPEN COMPETITION

1. Contracting Activity. Naval Air Systems Command Headquarters (NAVAIR)
2. Description of the Action Being Approved. This Justification and Approval authorizes and approves the award of a contract on a sole source basis for F/A-18E/F Infrared Search and Track (IRST) system Engineering and Manufacturing Development (EMD) phase. A contract will be awarded to The Boeing Company (Boeing), in St. Louis, Missouri to include a five-year period of performance for Fiscal Years (FY) 2011 through 2015.
3. Description of Supplies/Services. The contract will include the design, development, manufacture, integration demonstration and test of IRST on the F/A-18E/F aircraft to support the Block I IRST system. Research, Development, Test, and Evaluation (RDT&E) funding will be used during the Block I EMD phase of the program.

The estimated contract budget for the IRST Block I EMD phase per year is as follows:

The total estimated contract value is approximately \$124.73 million. The execution of this anticipated contract action is consistent with the F/A-18E/F Acquisition Plan AIR 93-16T (Revision 5, Change 9, dated 18 May 2011).

4. Statutory Authority Permitting Other Than Full and Open Competition. The statutory authority permitting other than full and open competition is 10 U.S.C. 2304(c)(1), as implemented by the Federal Acquisition Regulation (FAR) 6.302-1, "Only one responsible source and no other supplies or services will satisfy agency requirements."
5. Rational Justifying Use of Cited Statutory Authority. The IRST system must be integrated into the F/A-18E/F as a subsystem of the aircraft. Only Boeing, as the sole designer, developer, weapons systems integrator, and producer of the F/A-18E/F aircraft and its systems has the necessary technical information and data to successfully achieve this integration effort within the time required. Specifically, Boeing has the expertise and requisite knowledge of the aircraft and weapon system design to perform Multi-Source Integration (hardware and software) of the IRST system into the F/A-18E/F weapon

system. This effort cannot be performed by any source other than Boeing without creating substantial and unacceptable programmatic risk to the Navy's requirement.

6. Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable. The proposed contract was synopsisized on the FEDBIZOPPS web site on 13 January 2010. No other potential sources expressed an interest in this requirement; however, the Contracting Officer will evaluate any responses prior to award. Boeing has performed subcontractor competitions to select the sensor assembly and environmental control unit for the IRST system. No additional market research was conducted because of the reasons stated above in paragraph five; Boeing is the only firm capable of meeting the Government's requirement.
7. Determination of Fair and Reasonable Cost. In accordance with FAR 15.402(a), the Contracting Officer must ensure that all supplies and services ordered under this contract are procured at a fair and reasonable price. The Contractor will submit cost or pricing data in accordance with FAR 15.403-4. Analysis of the proposal will be performed by engineers supporting the Program Office, NAVAIR 4.2 cost department, and contract specialists, with the assistance of Defense Contract Management Agency (DCMA) and Defense Contract Audit Agency (DCAA) auditors. The Contracting Officer will analyze various cost elements that are presented in the proposal, requests for information, and use data from other programs for comparison. DCAA will assist in evaluating the material and subcontract positions in addition to reviewing the Contractor's use of escalation. The program engineers will evaluate the proposed labor hours and provide a detailed report which will be utilized to establish the Navy position. Rate recommendations provided by DCAA or DCMA will be evaluated for incorporation in the Navy position. The Contracting Officer will utilize cost and price analysis as the basis for negotiating a fair and reasonable price.
8. Actions to Remove Barriers to Future Competition. For the reasons set forth in paragraph five, NAVAIR does not anticipate competition of the Low Rate Initial Production IRST procurement(s) at this time. If another potential source emerges, NAVAIR will assess whether competition is practical and prudent. NAVAIR IRST performance specifications included the use of modular, open system architecture for future upgrades to help promote competition in the future. Prior to Full Rate Production, the acquisition strategy will be reevaluated. To support this evaluation, a Business Case Analysis (BCA) will be conducted to determine if breaking out subsystems for competition or direct procurement from the Original Equipment Manufacturer(s) is viable. The BCA will also determine if the cost of procuring a technical data package will be offset by the resulting cost savings of competition.